2018 Sovereign Debt Forum
Is There Life After Debt?:

Mind the Gap
BREAKOUT SESSION 6: Mind the gap: Seeking public and private sector collaboration for improved debt transparency

The World Bank’s 9th Sovereign Debt Management Forum
Is there Life after Debt?

Washington, D.C.
October 24, 2018
Framework For Sovereign Ratings

Source: S&P Global Ratings Services “Sovereign Rating Methodology” as of December 18, 2017 as published on the Global Credit Portal®.
Various Sovereign Examples:

Ecuador (B-)
- Comptroller General Debt Audit 2018

Peru (BBB+)
- Informe Anual de Deuda Publica

Brazil (BB-)
- Timely, widespread monthly coverage of public debt by Ministry of Finance and Central Banks

China (A+)
- Off balance sheet borrowing by local governments
Sovereign Ratings: Latin America and the Caribbean

Chile A+/AA-
Curacao A-/A-
Aruba BBB+/BBB+
Mexico BBB+/A-
Peru BBB+/A-
Trinidad & Tobago BBB+/BBB+
Turks and Caicos BBB+/BBB+
Panama BBB/BBB
Uruguay BBB/BBB
Colombia BBB-/BBB
Montserrat BBB-/BBB-
Bahamas BB+/BB+
Bolivia BB-/BB-
Paraguay BB/BB
Brazil BB-/BB-
Costa Rica BB-/BB-
Dominican Republic BB-/BB-
Guatemala BB-/BB
Honduras BB-/BB-
Argentina B+/B+ [CWN]
Jamaica B/B
Nicaragua B/B
Suriname B/B
Belize B-/B-
Ecuador B-/B-
El Salvador CCC+/CCC+
Venezuela SD/CCC-
Barbados SD/SD

Outlook/CreditWatch: Stable, Positive, Negative

Source: Ratings as of October 23, 2018 as published on S&P Global's Global Credit Portal.

S&P Global
Ratings
Chinese LRG’s Underlying Debt Dynamics

"Lifting The Lid On China's Local And Regional Government Debt Levels", October 2018

Source: WIND, Ministry Of Finance, Various local government fiscal reports, S&P Global Ratings.
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Underlying vs. Official Debt Burden of Chinese LRGs

Note: Debt burden is calculated as debt stock divided by operating revenue. Source: WIND, Ministry Of Finance, Various local government fiscal reports, S&P Global Ratings

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“Lifting The Lid On China's Local And Regional Government Debt Levels”, October 2018
Outlook Balance Across Regions

Sovereign Outlook Balance Across Regions

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<th>Region</th>
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2018 Outlooks and Upgrades/Downgrades

Advanced vs. Emerging Market Rating Actions (Jan. - Sept. 2018)*

Rating Actions by Region (Jan. - Sept. 2018)

* Country classification is based on UN groupings of “developed,” “developing,” and “transition” economies
Thank you!

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